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SENATE BILL 618

49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009

INTRODUCED BY

William E. Sharer

AN ACT

RELATING TO TAXATION; ENACTING A NEW SECTION OF CHAPTER 7 NMSA
1978 TO PROVIDE A TAX CREDIT FOR INVESTMENTS IN HIGH-SPEED
BROADBAND INTERNET AND WIRELESS INTERNET IN COUNTIES OTHER THAN
CLASS A COUNTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of Chapter 7 NMSA 1978 is
enacted to read:

"[NEW MATERIAL] RURAL HIGH-SPEED BROADBAND INTERNET AND
WIRELESS INTERNET TAX CREDIT.--

A. A taxpayer that holds an interest in a qualified
rural high-speed broadband internet or wireless internet
service in a county other than a class A county may claim a
credit to be computed pursuant to the provisions of this
section. The credit provided by this section may be referred

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1 to as the "rural high-speed broadband internet and wireless
2 internet service tax credit".

3 B. As used in this section:

4 (1) "department" means the taxation and
5 revenue department;

6 (2) "eligible high-speed broadband internet or
7 wireless internet service costs" means expenditures for the
8 development and construction of a qualified high-speed
9 broadband internet or wireless internet service in a county
10 other than a class A county, including permitting; site
11 characterization and assessment; engineering; design; and site
12 and equipment acquisition; and

13 (3) "qualified rural high-speed broadband
14 internet or wireless internet service" means a new high-speed
15 broadband internet or wireless internet service facility that
16 begins construction after December 31, 2009 and is certified by
17 the department of information technology.

18 C. A taxpayer may apply for the rural high-speed
19 broadband internet and wireless internet service tax credit by
20 submitting to the taxation and revenue department a certificate
21 issued by the department of information technology pursuant to
22 this section, documentation showing the taxpayer's interest in
23 the qualified rural high-speed broadband internet or wireless
24 internet service identified in the certificate and other
25 information the taxation and revenue department requests to

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1 determine the amount of tax credit due to the taxpayer.

2 D. A taxpayer having applied for and been granted
3 approval for a credit by the department pursuant to this
4 section may claim an amount of available credit against the
5 taxpayer's gross receipts tax, compensating tax or withholding
6 tax due to the state.

7 E. If the amount of the tax credit claimed exceeds
8 the taxpayer's liability, the excess may be carried forward for
9 up to five years.

10 F. A taxpayer that holds an interest in a qualified
11 rural high-speed broadband internet or wireless internet
12 service may request a certificate of eligibility from the
13 department of information technology to enable the taxpayer to
14 apply for the rural high-speed broadband internet and wireless
15 internet service tax credit. The department of information
16 technology shall:

17 (1) determine if the facility is a qualified
18 rural high-speed broadband internet or wireless internet
19 service;

20 (2) require that the requester provide the
21 department of information technology with the information
22 necessary to assess whether the requester's facility meets the
23 criteria to be a qualified rural high-speed broadband internet
24 or wireless internet service;

25 (3) issue a certificate to the requester

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1 stating that the facility is or is not a qualified rural high-
2 speed broadband internet or wireless internet service within
3 one hundred eighty days after receiving all information
4 necessary to make a determination; and

5 (4) issue rules governing the procedure for
6 administering the provisions of this section.

7 G. Expenditures for which a taxpayer claims a
8 credit pursuant to this section are ineligible for credits
9 pursuant to the provisions of the Investment Credit Act or any
10 other credit against compensating tax, gross receipts tax or
11 withholding tax.

12 H. A taxpayer shall apply for approval for a credit
13 within one year following the end of the calendar year in which
14 the eligible high-speed broadband internet or wireless internet
15 service costs are incurred."

16 Section 2. APPLICABILITY.--The provisions of this act
17 apply to taxable years beginning on or after January 1, 2010.